

STEERING, LEGISLATIVE & GOVERNMENTAL COMMITTEE

January 4, 2016

5:30 p.m.

Courthouse

MINUTES:

MEMBERS PRESENT:

Commissioner Paul Johnson
Commissioner Allen McAdoo
Commissioner Robert Peay
Commissioner Jeff Phillips
Commissioner Robert Stevens
Commissioner Brad Turner
Commissioner Trey Gooch, C

OTHERS PRESENT:

Ernest Burgess Lisa Nolen
Sonya Stephenson Rita Shacklett
Sean Fletcher Tim Roediger
Jennifer Dillon Adam Coggin
John Bratcher Mark Lee
David Hoke Susan Allen
Lisa Crowell Robert Arnold

Heather Dawbarn, Melissa Harrell, Rob Mitchell, Becky Shelton

Chairman Gooch presided and called the meeting to order at 5:30 p.m. with all members being present at that time.

MINUTES:

"Commissioner Turner moved, seconded by Commissioner Phillips, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

FILL VACANCY ON LINEBAUGH LIBRARY BOARD - FEMALE FROM THE EAGLEVILLE AREA:

Chairman Gooch advised an application had been received from Marcie Leeman to fill the unexpired term of Kari Sostrom on the Linebaugh Library Board which expires June, 2017. Ms. Leeman is from the Eagleville area. Chairman Gooch advised a letter had been received from the Director of the Linebaugh Library System advising of their recommendation of the appointment.

"Commissioner Phillips moved, seconded by Commissioner Turner, to recommend Marcie Leeman to fill the unexpired term of Kari Sostrom on the Linebaugh Library Board which expires June, 2017 by acclamation. This motion passed unanimously by acclamation."

FILL TWO VACANCIES ON CONSERVATION BOARD:

Chairman Gooch advised applications had been received from Tim Roediger and Michael Shirley for appointment to the Conservation Board. Mr. Roediger was in attendance and addressed the Committee. Following discussion,

"Commissioner Peay moved, seconded by Commissioner Johnson, to recommend appointment of Tim Roediger and Michael Shirley for appointment to the Conservation Board. This motion passed unanimously by acclamation."

DISCUSSION CONCERNING STATES' RIGHTS:

Adam Coggin, Mark Lee and David Hoke next addressed the Committee regarding the sovereignty of Tennessee and its rights being imposed on advising in recent years the Federal government has usurped the rights of the states and they provided proposed language for a Resolution to the Tennessee General Assembly. Mr. Hoke advised they were asking the Commission send the Resolution to the State delegation for support against the Federal government as more unfunded mandates are being passed on to citizens including immigrant relocation, gun control, Obamacare, etc. Mr. Lee advised the State did oppose the Federal gun laws which were in opposition to State laws and he applauded that but there needed to be encouragement from the local government to continue. Mr. Hoke advised something needed to be done at the local level to be able to defend the State border.

Commissioner Peay asked if the delegation had talked with the Federal representatives yet and Mr. Lee advised they had not as it needed to start at the State level. Commissioner Peay advised the buck did stop at the Commission level but questioned if this was the right way to proceed. Mr. Hoke advised they started at the level closest to the citizens because it was hard to win at the Federal level. Mr. Lee advised any action would require participation by more counties than just Rutherford.

Commissioner Turner advised there was value in reaching out to other counties and there is value in the request no matter what you have an issue with. Mr. Lee advised their concerns are reflected in the Tenth Amendment to the Constitution and the State and people's rights being ignored. Chairman Gooch advised if the people don't stand up it is the same as giving the rights away.

Mr. Hoke encouraged the Commission to challenge the legislators to rise up and protect the sovereignty of Tennessee saying it is time to get State folks focused. Commissioner Turner advised judicial tenure and term limits might also be added as 80% of the State voted against gay marriage and were trumped by five people. Commissioner Peay asked if the delegation was asking the Commission not to follow the law and thought the request was extreme. Mr. Coggin advised the Resolution was not to give in or let Courts change our laws. Commissioner Peay asked who should decide what laws we follow. Mr. Coggin advised the Supreme Court does not have the authority to change laws but to rule whether constitutional or not.

Commissioner Johnson confirmed the delegation was just asking for the basic language in the next to the last paragraph and Mr. Hoke advised they were because there was no constitutional right to amend Tennessee state laws. Mr. Lee advised it may be the State Attorney General to make the decision as to what is lawful. Commissioner Peay advised we have to live together and work together and believe in rule of law and thought this should be a fight in the Courts. Mr. Lee advised when this is passed to the State legislators it may lead to that but he does not see anything going up and he only sees things coming down to the states. Commissioner Peay advised the citizens elected these people so it is our fault.

Commissioner Stevens advised if a generic Resolution is sent to the Commission it can be discussed.

Mayor Burgess advised he questioned the intent of the sentence on Tennessee General Assembly take no action and suggested they have taken no action and this needs to be stated more clearly. Commissioner Stevens advised if the Resolution is sent to the Legislature they could review it. Mr. Lee advised the take no action statement meant to ignore Supreme Court rulings when they are in conflict with State of Tennessee beliefs. Mayor Burgess advised this needed to be written clearer and state what is really wanted. Commissioner Peay advised he wanted it spelled out who decides what to follow. Following discussion,

"Commissioner Turner moved, seconded by Commissioner Johnson, to send the proposed language "BE IT RESOLVED that the Rutherford County Commission request the Tennessee General Assembly take no action, as a sovereign state, to further the U.S. Supreme Court's attempt, through judicial decision, to amend our Tennessee state laws." to the full Commission for discussion and allow amendment from the floor by any Commissioner. This motion passed unanimously by roll call vote."

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM REVIEW:

Sonya Stevenson reminded the Committee of the prior review of the current retirement plan offered to employees and options advising any change would not affect current employees but only new hires. However, this would affect new hires in that they would know

they have different benefits. Ms. Stephenson advised there are currently twelve counties on the Legacy plan with zero employee contribution. One county has the Hybrid plan with zero contribution. Seventy counties are on the Legacy plan with a 5% employee contribution. Two counties are on the Hybrid plan with a 5% employee contribution. Other counties have their own plan or nothing. Ms. Stephenson advised the average salary is \$30,000 for General and Board of Education. Ms. Stephenson advised her recommendation is the Legacy plan with ten year vesting. If an employee leaves County employment but subsequently works for an entity in TCRS then the time is combined and the employee may be able to vest. If an employee subsequently works for an entity with a 5 year vesting then the Rutherford County time counts toward that vesting and the 10 year vesting is reduced to the 5 year vesting of the subsequent employer.

Ms. Stephenson advised with 10 year vesting if someone leaves before vesting then the money stays in the Rutherford County account and may offset the County's required amount. Ms. Stephenson advised 30% of the employee population can retire today and if the Commission wants to reduce the level of County liability then Legacy with ten year vesting is the best option but it will not be quick. Ms. Stephenson advised she felt this would achieve the goal of the Commission and be mindful of employees. However, Rutherford County would be the only entity with ten year vesting. Commissioner Peay advised he was afraid the ten year vesting would affect hiring and if an adverse reaction was observed asked how quick the plan could be changed back. Ms. Stephenson advised she did not know and would have to ask TCRS. She thought you could give more benefit but not take a benefit away. Finance Director Nolen advised some of her staff remember being on a ten year vesting in the past. Commissioner Turner asked how would the Commission know if the ten year vesting was an issue if someone did not accept a job. Ms. Stephenson advised she currently does exit interviews. Commissioner Turner advised this would only be people offered a job that rejected the same so the population in the study would be small.

Ms. Stephenson advised the longevity of new hires was taken into consideration in the recommendations. If someone stays 9 years then they usually stay in the job. In exit interviews more frequently employees leave to go into new fields, or higher pay or just change for various reasons. The bigger reason is pay and not benefits.

Ms. Stephenson advised she was mindful of elected officials as this has to be a benefit for them as well but because TCRS is consolidated they can go elsewhere and get more time to be vested. There is no happy answer for all.

Ms. Stephenson advised another aspect of the plan is 25 & Out which is for certain public safety employees and pays for 25 years like it was 30. This is for paramedics on ambulances, firefighters, patrol officers, etc. Sheriff Arnold advised there is also an age requirement for 25 & Out and would be a benefit for everybody. Sheriff Arnold advised the elected officials do not want to see anything happen to the plan and the issue has not been discussed with elected officials. Mayor Burgess advised the issue has been discussed in multiple open meetings. Chairman Gooch advised any change does not affect current employees. Sheriff Arnold advised it affects new hires and it is hard enough to get good employees. Additionally, this is talking about cutting salaries somewhat and new employees will be making less money than another employee working beside them. Ms. Stephenson advised if the Commission lifts the salary the 2 1/2% so the employees make the same as other employees then there is no benefit and it should be left as it is.

Commissioner Phillips advised he did not disagree with the Sheriff but every employer he knows has gone through this and the private sector has eliminated good benefit packages and the Commission was trying to figure out the best option for the taxpayer and the employees and he did not think the elected officials get the whole

picture. Heather Dawbarn advised the Commission could use incentives such as encouraging retirement and they needed to look for better incentives to reach goals. Sheriff Arnold advised the County could pay out to encourage retirement. Mayor Burgess advised the School Board tried that and it was unsuccessful. Sheriff Arnold advised the elected officials wanted to be a part of the discussion before any decision was imposed on their departments. Ms. Stephenson advised there are leadership meetings twice per quarter and TCRS representatives were brought in to discuss so there was opportunity for feedback.

Ms. Stephenson advised the 10 year vesting is about creating loyalty to the County. Commissioner Johnson advised this has reached the point where something needs to be done for the County to be financially sound. The 2 1/2% is like a savings account for employees. He wanted to be fair to all but the taxpayer cannot continue to be bled to death.

Sheriff Arnold asked that the matter be deferred one month to be able for elected officials to meet with Ms. Stephenson. Ms. Nolen advised this issue will not affect the upcoming budget. Mayor Burgess asked if there was anything the Committee could agree on and it appeared not. There is recommendation from Mayor Burgess, Ms. Stephenson and Ms. Nolen for the Legacy plan with 2 1/2% with 10 year vesting. Mayor Burgess asked for help with moving the matter forward.

Commissioner Stevens asked if the Hybrid plan had been an issue with employment with the State. Ms. Stephenson advised she did not know but was told the 10 year vesting reached the goal quicker than the Hybrid plan and thought it was better that employees are not able to draw out their money for reasons other than retirement. Mayor Burgess advised he considered the 2 1/2% because of the low average of the salary and cost of living.

"Commissioner Peay moved to stick with the Legacy plan at a 2 1/2% employee contribution and 5 year vesting. This motion failed for lack of a second."

"Commissioner Phillips moved, seconded by Commissioner Peay, to stick with the Legacy plan at a 5% employee contribution and 10 year vesting."

Commissioner McAdoo advised he would like to defer the matter until they could get an answer on changing the vesting from 10 to 5 years or eliminate completely and he could not vote now. Ms. Stephenson advised she assumed the Commission can make the benefit better but not worse but did not know for sure.

Commissioner Phillips advised he wanted a decision for long term and knew it would not be popular for two people working side by side making different but eventually this would work out and the current situation is not working. Ms. Nolen advised the contribution is pre-tax.

"Commissioner Stevens moved, seconded by Commissioner Turner, to amend the original motion to go with the Hybrid plan (State plan) for new hires effective April 1, 2016 with 5 year vesting."

The State plan is a required 5% employee contribution with 2 1/2% contribution unless the employee opts out of the 2 1/2%. The employer puts in 9% with 4% to defined benefit and 5% to defined contribution. This drops the County contribution a little less than 3%.

Mr. Bratcher advised a salient point is the Hybrid plan compared to the Legacy plan will have one-third less at the end of 30 years and TCRS is solidly funded.

"The amendment to the motion passed with Commissioners

Johnson, McAdoo and Peay voting "no" and Commissioners Phillips, Stevens, Turner and Gooch voting "yes".

"The original motion as amended passed with Commissioners Johnson, McAdoo and Peay voting "no" and Commissioner Phillips, Stevens, Turner and Gooch voting "yes".

Ms. Stephenson advised after five years the employee can take the County's contribution in the DC plan. Ms. Nolen questioned if her department could meet the April 1 deadline. Mayor Burgess asked if this should go to the Budget Committee since it was financial. Ms. Nolen advised historically these type matters have gone to the Budget Committee. Chairman Gooch and Commissioner Turner advised they did want it to go to the Budget Committee. Mayor Burgess advised he thought the Budget Committee would want the information on the County money.

Ms. Stephenson advised her questions for TCRS would be about the 25 & Out plan, the effect of changing 10 year vesting to 5 year, the exact State plan, can the DC on the Hybrid plan go with the employee and how long would it take to implement the plan. Commissioner Peay advised Ms. Stephenson may want to consider asking the TCRS delegation to attend the Budget Committee and Commission if it goes through.

Ms. Stephenson asked if she should have the savings calculated for the Budget Committee and Mr. Phillips asked if it should be presented back to Steering because it may change his vote and also why was it going to Budget Committee. Mayor Burgess advised it was going to Budget Committee because it was financial.

AMENDMENT TO PERSONNEL POLICY:

Ms. Stephenson provided a copy of the definition of Constitutional Office Holder taken from the IRS site as the Committee previously directed this be included in the Personnel Policy and she asked for Committee approval of the definition.

There appearing to be no further business to come before the Committee, Chairman Gooch declared the meeting adjourned at 7:32 p.m.

TREY GOOCH, Chairman